

**Before the State of South Carolina
Department of Insurance**

In the Matter of:

Warranty America, LLC.

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SCDOI Docket # 07-0926

**ORDER IMPOSING
ADMINISTRATIVE FINE
OF \$1000.00**

This matter comes before the South Carolina Department of Insurance (the Department), upon application of David E. Belton, Esquire, Senior Associate General Counsel for the Department, requesting that an administrative fine of \$1000.00 be imposed on Warranty America, LLC. (Service Contract Provider).

After careful review of the evidence presented, the Department issues the following decision.

FINDINGS OF FACT

Service Contract Provider is currently licensed to transact business in the State of South Carolina.

In the State of South Carolina, the service contract provider failed to refund a contract holder within 45 days of cancellation of his request as required by Statute and contends this failure resulted from inadvertence and oversight and not from any intent to avoid the requirements of the law.

CONCLUSIONS OF LAW

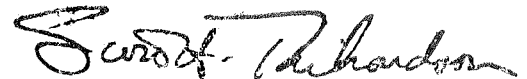
Pursuant to S.C. Code §38-78-30(F) "Service contracts shall require the provider to permit the service contract holder to return the service contract within twenty days of the date the service contract was mailed to the service contract holder or within ten days of delivery if the service contract is delivered to the service contract holder at the time of sale or within a longer time period permitted under the service contract. Upon return of the service contract to the provider within the applicable time period, if no claim has been made under the service contract prior to its return to the provider, the service contract is void and the provider shall refund to the service contract holder, or credit the account of the service contract holder, with the full purchase price of the service contract. The right to void the service contract provided in this subsection is not transferable and shall apply only to the original service contract purchaser and only if no claim has been made prior to its return to the provider. A ten percent penalty per month shall be added to a refund that is not paid or credited within forty-five days after return of the service contract to the provider." Because Warranty America, LLC failed to refund a contract holder within 45 days of cancellation of his request as required by Statute and contends this

failure resulted from inadvertence and oversight and not from any intent to avoid the requirements of the law, the Department now moves to impose an administrative fine of \$1000.00, in lieu of probation, suspension or revocation

THEREFORE, it is ordered that Warranty America, LLC, a South Carolina licensed service contract provider, shall pay an administrative fine of \$1000.00 within thirty (30) days from the date of this order, unless Warranty America, LLC requests in writing within twenty (20) days a public hearing before the Director of the South Carolina Department of Insurance. If Warranty America, LLC fails to pay the administrative fine as stated or request a public hearing before the Director of the South Carolina Department of Insurance within twenty (20) days from the date of this order, Warranty America, LLC license to transact business within this State will be summarily revoked without any further disciplinary proceedings.

It is FURTHER ORDERED that the National Association of Insurance Commissioners be immediately notified of this order.

This South Carolina Department of Insurance administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina's *freedom of Information Act*, S.C. Code Ann. §§30-4-10, et seq. (1991 and Supp. 2000). Nothing contained within this administrative disciplinary order should be construed to limit or to deprive any person of any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the law relative to the business of insurance or the provisions of this title which he considers necessary to report." S.C. Code Ann. §38-3-110(3) (Supp. 2000).



Scott H. Richardson
Director of Insurance

Dated this 7 day of June 2007